

November 10, 2005

Ms. Marlene Dortch
Secretary
Federal Communications Commission
445 12th Street, SW, Room TWB-204
Washington, DC 20554

Re: Ex Parte Communication
In the Matter of Regulation of Prepaid Calling Card Services, WC Docket No. 05-68

Dear Ms. Dortch:

Pursuant to 47 CFR § 1.1206(b), this letter is to report that Ely Tendler, Chief Legal Officer of IDT Corporation (“IDT”); Norm Rosenberg, Chief Financial Officer of IDT Telecom, Inc.; along with Tamar Finn and Russell Blau of Swidler Berlin LLP, met yesterday with Michelle Carey, legal advisor to Chairman Martin, to discuss IDT’s views concerning the above-referenced docket.

IDT reiterated the views expressed in its Comments filed April 15, 2005, and its Reply Comments filed May 16, 2005 in this docket. In particular, IDT explained that menu-based calling cards can provide access to information content that is significantly different from the type of product described by AT&T in its filings in this docket, and that this type of information offering was not addressed by most of the commenters in this proceeding. The information offering is integral to the overall economic value of this type of prepaid card, both as perceived by consumers and from the viewpoint of the service provider. Consumers will likely perceive a card that offers information content as a premium product, which in turn affects the price that the card provider can charge for all aspects of the card, including its telecommunications component. IDT also pointed out that investment in developing these new capabilities for prepaid cards is an example of the success of the Commission’s hands-off information services policy. Calling cards can make available to low-income and immigrant consumers—who often have no access to computers—access to information and content that they could not otherwise obtain. Finally, IDT reiterated that addressing this issue in isolation is inconsistent with the Commission’s overall goal of reforming intercarrier compensation and USF to create a level playing field for all providers.

IDT also notes that AT&T has complained that it faces a supposedly “uneven playing field” as the result of past Commission rulings concerning particular calling card products. The Commission should bear in mind that AT&T has operated, and continues to operate, under the same rules as all other providers. If AT&T suffered financial loss because it adopted an

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interpretation of those rules that the Commission later found unreasonable, no sound principle of policy requires changing the rules that apply to all of AT&T's competitors who did *not* rely on a similar interpretation. A calling card that provides access to non-advertising content selected by the user is quite different from the AT&T service previously reviewed by the Commission. AT&T itself now offers a content-based information platform to some of its prepaid card holders, and has the same ability as IDT or any other competitor to operate within the rules as they have been clarified by past Commission rulings, so there should be no concern as to the opportunity for fair competition.

IDT further urged that, if any change is made in the classification of prepaid card services (contrary to the views expressed by IDT in its comments), the Commission should allow a reasonable transition time to enable prepaid card providers to reprice their services and to replace the inventory of cards that are already in the marketplace. IDT also opposed AT&T's proposed procedures for certification and reporting of the jurisdiction of prepaid calling card traffic. Ample requirements for jurisdictional reporting and measurement are already contained in local exchange carrier access tariffs and in inter-carrier contracts, and IDT believes that enforcement of these provisions is all that is needed to ensure accurate collection of access charges on any traffic that the Commission finds is subject to such charges.

This notice is being filed electronically in accordance with Commission rules in the above-referenced proceeding.

Sincerely,

/electronically signed/

Russell M. Blau
Attorney for IDT Corporation

cc: Michelle Carey
Ely Tandler, Esq.
Norm Rosenberg
Tamar Finn, Esq.